

**AMEND SECTION 2805 TO READ:**

**2805. "Developer" Defined.**

The terms "developer" in Section 11212 and "any person" in Section 11212 and in Section 11226 of the Code include any person, who at any point in time, owns, or has an option or contract to acquire ~~ten~~ eleven or more time-share interests for purposes of sale in the ordinary course of business if the time-share interests were acquired or are to be acquired from the original recipient of a public report for the time-share plan, or from a person who succeeded to the interest of the original recipient in ~~ten~~ eleven or more time-share interests in a time-share plan.

NOTE: Authority cited: Section 11281, Business and Professions Code. Reference: Sections 11211.5, 11212 and 11226, Business and Professions Code.

**AMEND SECTION 2809.3 TO READ:**

**2809.3. Properly Completed Application - Nonspecific Time-Share Interest Multi-Site Time-Share Plan.**

An application for a final public report for nonspecific time-share interest multi-site time-share plan is "properly completed" within the meaning of Section 11231 of the Code if it contains the documents and information enumerated below:

(a) For every nonspecific time-share interest multi-site time-share plan:

- (1) The developer's legal name, any assumed names used by the developer, principal office street address, mailing address, primary contact person, and telephone number.
- (2) The name of the developer's authorized or registered agent in the state upon whom claims can be served or service of process be had, the agent's street address in California, and telephone number.
- (3) The name, street address, mailing address, and telephone number of any managing entity of the multi-site time-share plan.
- (4) Consent to service of process upon the Department of Real Estate if applicant is a nonresident of California.
- (5) A description of the inventory control system that will ensure compliance with Section 11250 of the Code.
- (6) Evidence that the accommodation is presently suitable for human occupancy or that financial arrangements have been made to complete construction or renovation of the accommodation to make it suitable for human occupancy on or before the first date for occupancy by a time-share interest owner.

(7) Evidence that the accommodations are owned or leased by the developer of the time-share plan or is the subject of an enforceable option or contract under which the developer will build, purchase, or lease the accommodations.

(8) If an accommodation in a time-share plan is located within a local governmental jurisdiction or subdivision of real property in which the dedication of accommodations to time-sharing is expressly prohibited by ordinance or recorded restriction, either absolutely or without a permit or other entitlement from the governing body, the applicant for a public report shall present evidence of a permit or other entitlement by the appropriate authority for the local government or the subdivision.

(9) A description of the type of interest and usage rights the purchaser will receive.

(10) A description of the duration and operation of the time-share plan.

(11) A description of the type of insurance coverage provided for each component site.

(12) An explanation of who holds title to the accommodations of each component site.

(13) A description of each component site, including the name and address of each component site.

(14) The number of accommodations and time-share interests, expressed in periods of seven-day use availability or other time increments applicable to the multi-site time-share plan for each component site committed to the multi-site time-share plan and available for use by purchasers and a representation about the percentage of useable time authorized for sale, and if that percentage is 100%, then a statement describing how adequate periods of time for maintenance and repair will be provided.

(15) A description of each type of accommodation in terms of the number of bedrooms, bathrooms, and sleeping capacity, and a statement of whether or not the accommodation contains a full kitchen. For purposes of this description, a "full kitchen" means a kitchen having a minimum of a dishwasher, range, sink, oven, and refrigerator.

(16) A description of amenities available for use by the purchaser at each component site.

(17) A description of any incomplete amenities at any of the component sites along with a statement as to any assurance for completion pursuant to Section 11230 and the estimated date the amenities will be available.

(18) The historical occupancy of each component site for the prior 12-month period, if the component site was part of the multi-site time-share plan during such 12-month

time period, as well as any periodic adjustment or amendment to the reservation system that may be needed in order to respond to actual purchaser use patterns and changes in purchaser use demand for the accommodations existing at that time within the multi-site time-share plan.

(19) A description of any right to make any additions, substitutions, or deletions of accommodations, amenities, or component sites, and a description of the basis upon which accommodations, amenities, or component sites may be added to, substituted in, or deleted from the multi-site time-share plan.

(20) A description of the reservation system that shall include all of the following:

(A) The entity responsible for operating the reservation system, its relationship to the developer, and the duration of any agreement for operation of the reservation system.

(B) A summary of the rules and regulations governing access to and use of the reservation system.

(C) The existence of and an explanation regarding any priority reservation features that affect a purchaser's ability to make reservations for the use of a given accommodation on a first-come, first-served basis.

(21) A description of any liens, defects, or encumbrances that materially affect the purchaser's use rights.

(22) A description of the relationship between a multi-site time-share plan managing entity and the managing entity of the component sites of a multi-site time-share plan, if different from the multi-site time-share plan managing entity.

(23) Copy of the budget meeting the requirements of Section 11240, along with the budget certification or request that the budget be certified by the Budget Review Section of the Department of Real Estate and a description of the method for calculating and apportioning the assessments among purchasers.

(24) Any current fees or charges to be paid by time-share purchasers for the use of any amenities related to the time-share plan and a statement that the fees or charges are subject to change.

(25) Any initial or special fee due from the purchaser at closing with a description of the purpose and the method of calculating the fee.

(26) A description of any financing offered by or available through the developer.

(27) A description of any bankruptcies, pending civil or criminal suits, adjudications, or disciplinary actions of which the developer has knowledge, which would have a

material effect on the developer's ability to perform its obligations.

(28) A statement disclosing any right of first refusal or other restraint on the transfer of all or any portion of a time-share interest.

(29) A copy of instructions to escrow depository for compliance with Section 11241 including the following:

(A) Name and address of escrow depository.

(B) A description of the nature of the transaction.

(C) Conditions that must be satisfied before escrow can be closed.

(D) Provision for the return to a prospective purchaser of funds deposited toward the purchase of a time-share interest if the escrow for the transaction has not closed on or before a given date.

(30) Evidence of financial arrangements to assure fulfillment of developer obligation to pay assessments for unsold time-share interests pursuant to Section 11241.

(31) Copy of the contract utilized between the exchange company and a purchaser of a time-share interest and all promotional and informational material delivered to purchasers pertaining to any offered exchange program.

(32) Filing fee including fee for preliminary public report if applicable.

(33) Certificate of qualification from Secretary of State if applicant is a foreign corporation.

(34) Preliminary title report for all accommodations comprising the time-share plan, dated not more than 90 days prior to the date of submission of the application or, if the preliminary title report is dated more than 90 days earlier, with an accompanying letter from the title officer, dated not more than 90 days prior to submission of the application, indicating that state of title has not changed from that set forth in the submitted preliminary title report.

(35) If the offering is a security subject to the jurisdiction of the Department of Corporations, a Department of Corporations permit or interpretive opinion or copy of application for permit or request for interpretive opinion submitted to Department of Corporations.

(36) State or local assessment and improvement bond information if applicable to accommodations in the project.

(37) Copies of all contracts, deeds, fact sheets and other instruments to be used in marketing, financing and conveyancing of time-share interests.

(38) Copy of the covenants for component sites of the multi-site time-share plan in accordance with Section 11251 of the Code.

(39) Copy of trust agreement for the multi-site time-share plan if applicable.

(40) Copy of proposed or existing agreements for management of the multi-site time-share plan.

(41) Format of fidelity insurance or bond to be obtained for the managing agent of the multi-site time-share plan and other employees who will have custody or control of funds of the multi-site time-share plan association.

(42) Copy of letter or other evidence giving notice of the proposed dedication of the timeshare project to local governments in which accommodations of the multi-site time-share plan will be located. For time-share projects located outside this state, evidence of approval or compliance of the time-share project in the state in which the time-share project is located is sufficient to satisfy this requirement.

(43) Completed documents for reservations and reservation deposits if a preliminary public report is requested.

(44) Evidence of financial arrangements for any repurchase guarantee included in the offering.

(45) Description of the furnishings and other personal property to be included in the time-share offering.

(46) In a time-share plan which comprises less than all of the accommodations in a hotel, motel or similar commercial lodging establishment and in which the accommodations not part of the time-share plan are concurrently used for transient accommodations, a copy of the proposed contract for the following:

(A) Arrangements for temporary use for transient occupancy of accommodations comprising the time-share plan and temporary use by the time-share plan of accommodations regularly used for transient occupancy.

(B) Apportionment of the costs of operation of the hotel/motel that are for the joint benefit of accommodations in the time-share plan and accommodations for transient occupancy.

(47) Agreement of developer to subsidize maintenance and operation of the multi-site time-share plan where applicable.

(48) Description of each incidental benefit pursuant to Section 11237(b).

(49) If applicable, information as required by Section 11233.

(50) If applicable, a certification meeting requirements of Section 11246.

(51) Audited financial statements of the multi-site time-share plan association, if applicable.

(52) For every component involving newly-built or as yet unbuilt accommodations, or accommodations which will be renovated or reconstructed prior to occupancy, evidence of

availability of domestic utilities and services to the component site.

(53) If the time-share plan is located outside this state, a public report or other disclosure document meeting the requirements of Section 11226(c)(5).

(54) A draft public report.

(b) For the sole purpose of determining the effect on the time-share plan, for every multi-site time-share plan with accommodations in a condominium development or other common-interest subdivision:

(1) Proposed or existing governing instruments for the common-interest subdivision.

(2) Copies of all contracts or proposed contracts obligating the owners' association of the common-interest subdivision if the subdivision is one for which a public report has not been issued.

(3) If included in the subdivision offering, a copy of agreement of developer to subsidize maintenance and operations of the common interest subdivision if a public report has not been issued for the subdivision.

(4) Financial arrangements to assure performance of the subsidization agreement referred to in (3) above if applicable.

(5) Latest balance sheet and annual operating statement for the owners' association for the common interest subdivision.

(6) Pro-forma budget reflecting estimated ownership, maintenance and operational expenses and reserves for the subdivision.

(7) Financial arrangements to assure fulfillment of developer's obligation to pay assessments for unsold time-share interests if public report has not been issued for the subdivision.

(8) Copy of letters by which the developer has given notice of the proposed dedication of an accommodation to a time-share project to the owners' association of each common-interest subdivision in which an accommodation of the time-share project is located.

(9) Evidence of financial arrangements for completion of any promised and not yet completed amenities in the subdivision.

NOTE: Authority cited: Section 11281, Business and Professions Code. Reference: Sections 11226, 11231 and 11234, Business and Professions Code.



~~THROUGH FORECLOSURE. KEEP THIS IN MIND IN DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN.~~

~~B. This loan will be evidenced by a promissory note and secured by a deed of trust on property identified as (street address or legal description):~~

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

~~C. 1. Liens presently against this property (do not include loan being applied for):~~  
~~Nature of Lien    Priority    Lienholder's Name    Amount Owning~~

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

~~2. Liens that will remain against this property after the loan being applied for is made or arranged (Include loan being applied for):~~

~~Nature of Lien    Priority    Lienholder's Name    Amount Owning~~

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

~~NOTICE TO BORROWER: Be sure that you state the amount of all liens as accurately as possible. If you contract with the broker to arrange this loan, but it cannot be arranged because you did not state these liens correctly, you may be liable to pay commissions, fees and expenses even though you do not obtain the loan.~~

~~D. If borrower pays all or part of the loan principal before it is due, a PREPAYMENT PENALTY computed as follows may be charged:~~

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

~~E. Late Charges:           YES, see loan documents           NO~~

~~F. The purchase of credit life and/or credit disability insurance by a borrower is not required as a condition of making this loan.~~

### ~~III. DEDUCTIONS FROM LOAN PROCEEDS~~

~~A. Estimated Maximum Costs and Expenses of Arranging the Loan to be Paid Out of Loan Principal:~~

	PAYABLE TO	
	Broker	Others
1. Appraisal fee	_____	_____
2. Escrow fee	_____	_____
3. Title insurance policy	_____	_____
4. Notary fees	_____	_____
5. Recording fees	_____	_____
6. Credit investigation fees	_____	_____
7. Other costs and expenses	_____	_____
_____	_____	_____
_____	_____	_____

~~\_\_\_\_\_~~ Total Costs and Expenses ~~\_\_\_\_\_~~ \$ ~~\_\_\_\_\_~~  
~~\*B. Compensation \_\_\_\_\_ \$ \_\_\_\_\_~~  
~~1. Brokerage Commission/Origination Fee \_\_\_\_\_ \$ \_\_\_\_\_~~  
~~2. Lender Origination Fee/Discounts \_\_\_\_\_ \$ \_\_\_\_\_~~  
~~C. Estimated Payment to be Made out of Loan Principal on Authorization of~~  
~~Borrower \_\_\_\_\_~~

	PAYABLE TO	
	<del>Broker</del>	<del>Others</del>
1. Fire or other hazard insurance premiums _____	_____	_____
2. Credit life or disability insurance premiums (See Paragraph II E) _____	_____	_____
3. Beneficiary statement fees _____	_____	_____
4. Reconveyance and similar fees _____	_____	_____
5. Discharge of existing liens against property _____	_____	_____
_____	_____	_____
6. Other: _____	_____	_____
_____	_____	_____

~~\_\_\_\_\_~~ Total to Be Paid on Authorization of Borrower ~~\_\_\_\_\_~~ \$ ~~\_\_\_\_\_~~

If this loan is secured by a first deed of trust on dwellings in a principal amount of less than \$30,000 or secured by a junior lien on dwellings in a principal amount of less than \$20,000, the undersigned licensee certifies that the loan will be made in compliance with Article 7 of Chapter 3 of the Real Estate Law.

\*This loan ~~may/will/will not~~ (delete two) be made wholly or in part from broker-controlled funds as defined in section 10241(j) of the Business and Professions Code.

~~\*NOTICE TO BORROWER:~~ This disclosure statement may be used if the broker is acting as an agent in arranging the loan by a third person or if the loan will be made with funds owned or controlled by the broker. If the broker indicates in the above statement that the loan "may" be made out of broker-controlled funds, the broker must notify the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds.

_____	_____
_____ Name of Broker _____	_____ Broker Representative _____
_____	_____
_____ License Number _____	_____ License Number _____
_____	_____
_____ OR _____	_____
_____ Signature of Broker _____	_____ Signature _____

### ~~NOTICE TO BORROWER~~

DO NOT SIGN THIS STATEMENT UNTIL YOU HAVE READ AND UNDERSTAND ALL OF THE INFORMATION IN IT. ALL PARTS OF THE FORM MUST BE COMPLETED BEFORE YOU SIGN.

DATED: \_\_\_\_\_  
 \_\_\_\_\_ (Borrower)  
 \_\_\_\_\_  
 \_\_\_\_\_ (Borrower)

~~Signature of real estate broker after review of this statement.~~

Dated \_\_\_\_\_ Real Estate Broker or assistant pursuant  
\_\_\_\_\_ to Section 2725

(b) The type size used in reproducing the statement shown above shall not be smaller than 10 point type. The notice to the borrower contained in section II.A. of the statement shall be in capitalized 10 point bold typeface.

(c) Except as provided in subdivision (d), a real estate broker shall obtain the written approval of the commissioner for the use of a form that differs in format or suggested content from that approved by the commissioner pursuant to subdivision (a) or Section 2840.1(a) of these regulations.

(d) The approval of the commissioner shall not be required for any of the following deviations or variations from the official form referred to in subdivision (a).

(1) Addition of a paragraph which reads essentially as follows:

~~'The real property which will secure the requested loan is an 'owner-occupied dwelling'~~  
YES \_\_\_\_\_ NO \_\_\_\_\_  
(Borrower initial opposite YES or NO)

An ‘owner-occupied dwelling’ means a single dwelling unit in a condominium or cooperative or residential building of four or less separate dwelling units, one of which will be owned and occupied by a signatory to the mortgage or deed of trust for this loan within 90 days of the signing of the mortgage or deed of trust.”

~~(2) If the repayment terms of the loan do not call for the payment of any installment (balloon payment) which is greater than twice the amount of the smallest repayment installment, all references to “balloon payment” may be struck over or eliminated from the disclosure statement.~~

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(a) The Commissioner shall publish and make available to interested persons as official forms of the Department of Real Estate Forms RE 882(Rev. 10/05) and RE 883(Rev. 10/05) which are incorporated by reference. Forms RE 882 and RE 883 contain approved format and content for the disclosure statement required by subdivision (a) of Section 10240 of the Code and Section 10241 of the Code.

(b) The publication of the forms pursuant to subdivision (a) hereof is for the purpose of aiding real estate licensees in providing the disclosure of material information to prospective borrowers in a uniform and effective manner.

(c) A real estate broker must obtain the prior written approval of the Commissioner if he/she wishes to use forms different than those referred to in (a). Forms that do not adequately provide the information required by the forms in subsection (a) above, as appropriate, and in a format that is easily used by the Department will not be approved.

NOTE: Authority cited: Section 10080, Business and Professions Code. Reference: Sections ~~10236.4~~, 10240, ~~10240.2~~ and 10241, Business and Professions Code.

REPEAL SECTION 2840.1

### **2840.1. Alternative Approved Borrower Disclosure Statement.**

~~(a) The commissioner approves the use of the following form and the form contained in section 2840 of these regulations for the statement required by Section 10241 of the Business and Professions Code.~~

#### **MORTGAGE LOAN DISCLOSURE STATEMENT/GOOD FAITH ESTIMATE**

Borrower's Name(s): \_\_\_\_\_

Real Property Collateral: ~~The intended security for this proposed loan will be a Deed of Trust on (street address or legal description)~~ \_\_\_\_\_

~~This joint Mortgage Loan Disclosure Statement/Good Faith Estimate is being provided by \_\_\_\_\_, a real estate broker acting as a mortgage broker, pursuant to the Federal Real Estate Settlement Procedures Act (RESPA) and similar California law. In a transaction subject to RESPA, a lender will provide you with an additional Good Faith Estimate within three business days of the receipt of your loan application. You will also be informed of material changes before settlement/close of escrow. The name of the intended lender to whom your loan application will be delivered is:~~

~~\_\_\_\_\_ (Name of lender, if known)~~

#### **GOOD FAITH ESTIMATE OF CLOSING COSTS**

~~The information provided below reflects estimates of the charges you are likely to incur at the settlement of your loan. The fees, commissions, costs and expenses listed are estimates; the actual charges may be more or less. Your transaction may not involve a charge for every item listed and any additional items charged will be listed. The numbers listed beside the estimate generally correspond to the numbered lines contained in the HUD-1 Settlement Statement which you will receive at settlement if this transaction is subject to RESPA. The HUD-1 Settlement~~

Statement contains the actual costs for the items paid at settlement. When this transaction is subject to RESPA, by signing page two of this form you are also acknowledging receipt of the HUD Guide to Settlement Costs.

HUD-1	Item	Paid to Others	Paid to Broker
<b>-800</b>	<b><i>Items Payable in Connection with Loan</i></b>		
-801	Lender's Loan Origination Fee	\$ _____	\$ _____
-802	Lender's Loan Discount Fee	\$ _____	\$ _____
-803	Appraisal Fee	\$ _____	\$ _____
-804	Credit Report	\$ _____	\$ _____
-805	Lender's Inspection Fee	\$ _____	\$ _____
-808	Mortgage Broker Commission/ Fee	\$ _____	\$ _____
-809	Tax Service Fee	\$ _____	\$ _____
-810	Processing Fee	\$ _____	\$ _____
-811	Underwriting Fee	\$ _____	\$ _____
-812	Wire Transfer Fee	\$ _____	\$ _____
=====	=====	\$ _____	\$ _____
<b>-900</b>	<b><i>Items Required by Lender to be Paid in Advance</i></b>		
-901	Interest for ____ days at \$ ____ per day	\$ _____	\$ _____
-902	Mortgage Insurance Premiums	\$ _____	\$ _____
-903	Hazard Insurance Premiums	\$ _____	\$ _____
-904	County Property Taxes	\$ _____	\$ _____
-905	VA Funding Fee	\$ _____	\$ _____
=====	=====	\$ _____	\$ _____
<b>1000</b>	<b><i>Reserves Deposited with Lender</i></b>		
1001	Hazard Insurance: ____ months at \$ ____ /mo.	\$ _____	\$ _____
1002	Mortgage Insurance: ____ months at \$ ____ /mo.	\$ _____	\$ _____
1004	Co. Property Taxes: ____ months at \$ ____ /mo.	\$ _____	\$ _____
=====	=====	\$ _____	\$ _____
<b>1100</b>	<b><i>Title Charges</i></b>		
1101	Settlement or Closing/Escrow Fee	\$ _____	\$ _____
1105	Document Preparation Fee	\$ _____	\$ _____
1106	Notary Fee	\$ _____	\$ _____
1108	Title Insurance	\$ _____	\$ _____
=====	=====	\$ _____	\$ _____
<b>1200</b>	<b><i>Government Recording and Transfer Charges</i></b>		
1201	Recording Fees	\$ _____	\$ _____
1202	City/County Tax/Stamps	\$ _____	\$ _____
=====	=====	\$ _____	\$ _____
<b>1300</b>	<b><i>Additional Settlement Charges</i></b>		
1302	Pest Inspection	\$ _____	\$ _____
=====	=====	\$ _____	\$ _____
<b>Subtotals of Initial Fees,</b>			

Commissions, Costs and Expenses \$ \_\_\_\_\_ \$ \_\_\_\_\_  
 Total of Initial Fees, Commissions,  
 Costs and Expenses \$ \_\_\_\_\_  
 Compensation to Broker (Not Paid Out of  
 Loan Proceeds):  
 Mortgage Broker Commission/Fee \$ \_\_\_\_\_  
 Any Additional Compensation from Lender ☐ No ☐ Yes \$ \_\_\_\_\_ (if known)

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### ADDITIONAL REQUIRED CALIFORNIA DISCLOSURES

I. Proposed Loan Amount: \$ \_\_\_\_\_  
 Initial Commissions, Fees, Costs and  
 Expenses Summarized on Page 1: \$ \_\_\_\_\_  
 Payment of Other Obligations (List):  
 Credit Life and/or Disability Insurance (see VI below) \$ \_\_\_\_\_  
 \$ \_\_\_\_\_  
 \$ \_\_\_\_\_

Subtotal of All Deductions: \$ \_\_\_\_\_  
 Estimated Cash at Closing To You That you must pay \$ \_\_\_\_\_

II. Proposed Interest Rate: \_\_\_\_\_ % ☐ Fixed Rate ☐ Initial Variable Rate

III. Proposed Loan Term: \_\_\_\_\_ Years \_\_\_\_\_ Months

IV. Proposed Loan Payments: Payments of \$ \_\_\_\_\_ will be made \_\_\_\_\_ Monthly  
 \_\_\_\_\_ Quarterly \_\_\_\_\_ Annually for \_\_\_\_\_ (number of months, quarters or years).

If proposed loan is a variable interest rate loan, this payment will vary (see  
 loan documents for details).

The loan is subject to a balloon payment: ☐ No ☐ Yes. If Yes, the  
 following paragraph applies and a final balloon payment of \$ \_\_\_\_\_ will be due on  
 \_\_\_\_/\_\_\_\_/\_\_\_\_ [estimated date (day/month/year)].

**NOTICE TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT  
 WHEN IT COMES DUE, YOU MAY HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO  
 MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN HAVE TO PAY COMMISSIONS,  
 FEES, AND EXPENSES FOR THE ARRANGING OF THE NEW LOAN. IN ADDITION, IF YOU ARE  
 UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON PAYMENT, YOU MAY LOSE  
 THE PROPERTY AND ALL OF YOUR EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN  
 DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN.**

V. Prepayments: The proposed loan has the following prepayment provisions:  
 \_\_\_\_\_ No prepayment penalty.  
 \_\_\_\_\_ Other (see loan documents for details).  
 \_\_\_\_\_ Any payment of principal in any calendar year in excess of 20% of the  
 \_\_\_\_\_ original balance \_\_\_\_\_ unpaid balance will include a penalty not to exceed  
 \_\_\_\_\_ months advance interest at the note rate, but not more than the  
 \_\_\_\_\_ interest that would be charged if the loan were paid to maturity (see loan  
 \_\_\_\_\_ documents for details).

VI. Credit Life and/or Disability Insurance: The purchase of credit life and/or disability  
 insurance by a borrower is NOT required as a condition of making this proposed loan.

VII. Other Liens: Are there liens currently on this property for which the borrower is obligated? ☐ No ☐ Yes If Yes, describe below:

<i>Lienholder's Name</i>	<i>Amount Owed</i>	<i>Priority</i>

Liens that will remain or are anticipated on this property after the proposed loan for which you are applying is made or arranged (including the proposed loan for which you are applying):

<i>Lienholder's Name</i>	<i>Amount Owed</i>	<i>Priority</i>

NOTICE TO BORROWER: Be sure that you state the amount of all liens as accurately as possible. If you contract with the broker to arrange this loan, but it cannot be arranged because you did not state these liens correctly, you may be liable to pay commissions, costs, fees, and expenses even though you do not obtain the loan.

VIII. Article 7 Compliance: If this proposed loan is secured by a first deed of trust in a principal amount of less than \$30,000 or secured by a junior lien in a principal amount of less than \$20,000, the undersigned licensee certifies that the loan will be made in compliance with Article 7 of Chapter 3 of the Real Estate Law.

A. This loan may will not be made wholly or in part from broker-controlled funds as defined in Section 10241(j) of the Business and Professions Code.

B. If the broker indicates in the above statement that the loan "may" be made out of broker-controlled funds, the broker must inform the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds.

<i>Name of Broker</i>	<i>License #</i>	<i>Broker's Representative</i>	<i>License #</i>

*Broker's Address*

OR	
<i>Signature of Broker</i>	<i>Signature of Representative</i>
<i>Date</i>	<i>Date</i>

IX. NOTICE TO BORROWER: THIS IS NOT A LOAN COMMITMENT. Do not sign this statement until you have read and understood all of the information in it. All parts of this form must be completed before you sign. Borrower hereby acknowledges the receipt of a copy of this statement.

<i>Borrower</i>	<i>Date</i>	<i>Borrower</i>	<i>Date</i>

Review completed on by *Broker or Designated Representative*

*Dept. of Real Estate License #*

Department of Real Estate license information telephone number: (916) 227-0931

~~(b) The notice to the borrower contained in section IV. of the statement shall be in capitalized 10-point bold typeface.~~

~~(c) The form shown in subsection (a) above shall consist of 2 pages measuring 8 1/2 x 14 inches each. The first page shall conclude after the line "Any Additional Compensation from Lender — No — Yes \$ — (if known)" with the following language "Page 1 of 2". The second page shall begin with the line "ADDITIONAL REQUIRED CALIFORNIA DISCLOSURES" and shall conclude with the following language "Page 2 of 2".~~

~~(d) The type size used in reproducing the form shown in subsection (a) above shall not be smaller than 10 point type.~~

~~NOTE: Authority cited: Section 10080, Business and Professions Code. Reference: Sections 10236.4, 10240, 10240.2 and 10241, Business and Professions Code.~~

AMEND SECTION 2849.01 TO READ:

**2849.01. Annual Report Format.**

For reports submitted to the Department, the following format shall be used by a real estate broker who meets the criteria of section 10232 and/or 10238 of the Code for the annual report required by section 10232.2(c) and 10238(p).

**MORTGAGE LOAN/TRUST DEED ANNUAL REPORT**

(Business and Professions Code Section 10232.2(c) or 10238(p))

\_\_\_\_\_  
NAME OF REPORTING BROKER(CORPORATION OR INDIVIDUAL)

\_\_\_\_\_  
PRINCIPAL BUSINESS ADDRESS

This report covers mortgage loan brokerage and trust deed and real property sales contract transactions for the period from (month, day, year) to (month, day, year).

During the reporting period, mortgage loan/trust deed business activities were conducted by the reporting broker and his affiliates at the following address(es) in addition to the principal business address above:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Report Data*

*Article 7<sup>1</sup>  
Loans*

*Other  
Loans*

**I. LOANS ORIGINATED AS AGENT**

(B&P Code Section 10131(d))

TOTAL LOANS		
Number	_____	_____
.....		
Aggregate Principal Amount	\$ _____	\$ _____
.....		
Total Commissions Received from All Loans Originated as Agent.....	\$ _____	\$ _____
A. MULTIPLE LENDER LOANS (FRACTIONALIZED) <sup>2</sup>		
1) Total Number of Loans.....	_____	_____
2) Aggregate Principal Amount	\$ _____	\$ _____
.....		
3) Aggregate Number of Investors	_____	_____
B. LOANS TO REFINANCE <sup>3</sup> LOANS PREVIOUSLY NEGOTIATED BY REPORTING BROKER OR AFFILIATE <sup>4</sup>		
1) Number	_____	_____
.....		
2) Aggregate Principal Amount	\$ _____	\$ _____
.....		
C. BALLOON PAYMENT AND INTEREST- ONLY LOANS		
1) Number .....	_____	_____
2) Aggregate Principal Amount	\$ _____	\$ _____
D. <u>LOANS COVERED UNDER</u> <u>FINANCIAL CODE SECTION</u> <u>4970<sup>11</sup></u>	_____	_____
1) <u>Number .....</u>	_____	_____
2) <u>Aggregate Principal Amount</u>	_____	_____
<b>II. LOANS ORIGINATED AS PRINCIPAL (FUNDED BY BROKER) FOR RESALE</b>	<i>Article 7<sup>1</sup> Loans</i>	<i>Other Loans</i>
[B&P Code Section 10131.1]		
TOTAL LOANS		
Number	_____	_____
.....		

Aggregate Principal Amount	\$ _____	\$ _____
.....		
Loan Origination Fees (Points) of all Loans      Originated as Principal Funded for Resale .....	\$ _____	\$ _____

A. LOANS TO REFINANCE LOANS<sup>3</sup>  
PRE-

        VIOUSLY NEGOTIATED BY  
REPORTING  
        BROKER OR AFFILIATE<sup>4</sup>

1) Number .....	_____	_____
2) Aggregate Principal Amount	\$ _____	\$ _____
.....		

B. BALLOON PAYMENT AND  
INTEREST-

        ONLY LOANS

1) Number	_____	_____
.....		
2) Aggregate Principal Amount (at maturity) .	\$ _____	\$ _____

C. PRINCIPAL (BROKER FUNDED)  
LOANS

        RESOLD

1. Single Purchaser		
a. Number	_____	_____
.....		
b. Aggregate Selling Price	\$ _____	\$ _____
.....		
2. Multiple Purchasers		
(Fractionalized) <sup>2</sup>		
a. Number	_____	_____
.....		
b. Aggregate Selling Price	\$ _____	\$ _____
.....		
c. Aggregate Number of Purchasers	_____	_____

D. LOANS COVERED UNDER  
FINANCIAL CODE SECTION 4970<sup>11</sup>

1) Number .....	_____	_____
2) Aggregate Principal Amount	\$ _____	\$ _____

**III. COSTS AND EXPENSES PAID BY  
BORROWERS TO THE BROKER IN  
ORIGINATED LOAN TRANS-  
ACTIONS<sup>5</sup>**

Total	\$ _____	\$ _____
.....		
Retained by Broker or Affiliate for Services .....	\$ _____	\$ _____

**IV. LOANS FOR BROKER'S USE OR BENEFIT** [B&P Code Section 10231.2] *All Loans/Sales*

A. Total Number	_____
B. Number of Fractionalized Loans	_____
C. Aggregate Amount Borrowed	\$ _____
.....	

**V. SALES OF NOTES AS AGENT**  
[B&P Code Section 10131(e)]

**TOTAL LOANS**

A. Number	_____
.....	
B. Aggregate Selling Price	\$ _____
C. Commissions Received	\$ _____
D. Multi-Lender Sales (Fractionalized)	
1) Number of Loans	_____
2) Aggregate Number of Lenders/Investors	\$ _____
3) Aggregate Selling Price	\$ _____
4) Commissions Received	

**VI. RESALES AS PRINCIPAL OF NOTES**

**PURCHASED BY BROKER** [B&P Code Section 10131.1]

**TOTAL LOANS**

A. Number .....	_____
B. Aggregate Purchase Price	\$ _____
.....	
C. Aggregate Resale Price	\$ _____
D. Multi-Lender Resales (Fractionalized)	
1) Number of Loans	_____
2) Aggregate Number of Investors	\$ _____
3) Aggregate Selling Price	\$ _____
4) Commissions Received	

**VII. SALES OF REAL PROPERTY SALES**

**(RPS) CONTRACTS<sup>7</sup> AS AGENT OR PRINCIPAL** [B&P Code Sections 10131(e) and 10131.1]

A. Number	_____
.....	
B. Aggregate Selling Price	\$ _____
.....	
<b>VIII. NOTE AND RPS CONTRACT</b>	
<b>SERVICING</b>	
A. Number of Notes and/or Contracts	_____
Serviced	_____
During Reporting Period	_____
B. Number of Fractionalized Notes	
Serviced <sup>10</sup>	
C. Total Dollar Amount of Payments	
Collected from the Borrowers During the	
Reporting Period including Payoffs <sup>8</sup>	\$ _____
D. Total Dollar Amount of Payments	
Collected from the Borrowers on	\$ _____
Fractionalized Loans During the Reporting	
Period, including Payoffs <sup>10</sup>	
E. Total Dollar Amount of Loans	\$ _____
Serviced <sup>9</sup>	
F. Total Dollar Amount of Fractionalized	\$ _____
Loans Serviced <sup>10</sup>	
G. Total Late Charges Received During	
the	\$ _____
Reporting Period	
.....	
H. Total Late Charges Retained by	\$ _____
Broker .....	
I. Number of Loans Prepaid	_____
.....	
J. Total Amount of Prepayment Penalties	
Paid by	\$ _____
Borrowers	\$ _____
K. Total Amount of Prepayment	
Penalties Retained by Broker	
L. Total Other Broker Charges for	\$ _____
Servicing ...	
M. Number of Notices of Default Filed	_____
.....	
N. Number of Trustee's Sales, Judicial	
Sales or	_____
Deeds in Lieu of Foreclosure Recorded	
.....	

***CERTIFICATION***

To the best of my knowledge and belief the information contained in this report is true and correct.

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SIGNATURE OF BROKER OR DESIGNATED LICENSED OFFICER

DATE

---

PRINTED NAME OF BROKER OR DESIGNATED LICENSED OFFICER  
(REPORTING BROKER)

LICENSE NUMBER

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NAME OF CORPORATION

BUSINESS TELEPHONE NUMBER

If reporting broker is an individual licensee, he/she must sign this report. If reporting broker is a corporate licensee, the corporation's designated licensed officer must sign this report.

### ***Footnotes***

1. **ARTICLE 7 LOANS** — Loans of less than \$30,000 secured by first deeds of trust on dwellings and loans of less than \$20,000 secured by junior deeds of trust on dwellings.
2. **MULTIPLE LENDER LOAN (FRACTIONALIZED)** — A loan funded through the sale of or offer to sell a series of notes of secured directly by an interest in the same real property, or the sales of undivided interests in a note secured directly by real property equivalent to a series transaction.
3. **LOAN TO REFINANCE** — A loan funded within 90 days of the maturity date of an existing obligation of the borrower in which 75 percent or more of the proceeds made available to the borrower are applied to pay off the existing obligation.
4. **AFFILIATE** — Any entity in which an individual reporting broker or an officer, director or shareholder of a corporate reporting broker has more than a nominal financial interest or from whom the reporting broker receives any form of compensation for the referral of business in connection with the reporting broker's mortgage loan activities. Should the affiliate meet the criteria of Section 10232, a separate report must be compiled and submitted for each entity.
5. **COSTS & EXPENSES** — For services enumerated in Section 10241(a) (appraisal fees, escrow fees, title charges, notary fees, recording fees, credit investigation fees) and any other charge made to the borrower. Total amount and amount retained by the broker, an affiliate or subsidiary.
6. A purchase or loan transaction in which the broker directly or indirectly obtained the use or benefit of the funds other than for commissions, fees, costs and expenses.
7. **REAL PROPERTY SALES (RPS) CONTRACTS** — As defined in Section 10029 of the Business and Professions Code:

“Real property sales contract” as used in this part is an agreement wherein one party agrees to convey title to real property to another party upon the satisfaction of

specified conditions set forth in the contract and which does not require conveyance of title within one year from the date of formation of the contract.

8. Includes payments collected on behalf of obligors.
9. Outstanding principal of each note on the last day of the fiscal year or the reporting period including fractionalized (multi-lender) loans.
10. Fractionalized (multi-lender) loans only.
11. Refer to Financial Code Section 4970(a) through (e) for the definition of a covered loan.

NOTE: Authority cited: Sections 10080, 10232.2, and 10232.2, Business and Professions Code. Reference: Sections 10232, 10232.2, 10236, 10240, 10241, and 10245, Business and Professions Code and Sections 4970 and 4979, Financial Code.